WEEKLY ECONOMIC REVIEW

March 14, 2008

In February, housing starts in Alberta fell 7.2% from the previous month to an annualized pace of 38,700. Compared to February 2007 starts were down 14.9% in Alberta and 37% in the Edmonton area. Starts in Calgary were up nearly 20% from February 2007 as a result of strong growth in multifamily dwellings. National housing starts exhibited their second month of double-digit growth, up 15.4% from January, highlighting the contrast between the Canadian and American housing markets.

New home prices in Alberta were unchanged from December to January. The price of a new home in Calgary rose by 0.3% and fell 0.5% in Edmonton. For all of Canada prices accelerated 0.6% from December, driven by strong growth in the Atlantic and Prairie provinces.

Canada's international merchandise trade surplus grew in January after reaching its lowest level in December. Exports grew by 3.6% with energy (+11.9%) and industrial goods (+10.7%) leading growth. Imports were up by 1.0%.

Retail sales in the U.S. fell by 0.6% from January to February, led by auto dealers (-2.2%) and restaurants (-0.4%). Along with the consumer sentiment index for March, which slipped further below the 16 year low reached last month, it is clear American consumers have become more cautious as the threat of recession grows.

Cdn Dollar (US¢/CS)

March 14, 2008	101.32
March 7, 2008	100.86
2007-08 YTD	96.63

WTI Oil US$/bbl

March 13, 2008	$ 110.33
March 6, 2008	$ 105.47
2007-08 YTD	$ 80.98

Nymex Natural Gas CS/MMBtu *
April Contract

March 14, 2008	$ 10.09
March 7, 2008	$ 9.73

*Estimate based on Nymex Futures Market Price

Consumer inflation in the U.S. was flat in February, holding at 4.0%. Prices for energy moderated while food prices grew, leaving the index unchanged.

On Tuesday, several major central banks acted together to try to ease the credit crunch. Similar to actions taken in December, central banks will be making extra short-term credit available to financial institutions. Global markets reacted positively to the news with the TSX and Dow Jones up 2.6% and 3.6%, respectively.

Oil prices broke the $110 mark on Thursday, closing at US$110.33, up $4.86 from last week. Prices were driven higher by investors seeking a safe haven from volatile global markets and depreciating American dollar.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Housing Starts (thousands)[2,3]	**February**			
Alberta	38.7	-7.2%	-14.9%	-19.1%
Canada	256.9	15.4%	27.6%	4.2%
New Housing Price Index	**January**			
Alberta	255.3	0.0%	11.2%	--
Canada	157.6	0.6%	6.5%	--

Source: Statistics Canada.
[1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted [3] Annualized rate